

**CONTINUED DEMAND IN CAGAMAS SUKUK LEADS TO SECOND SUCCESSIVE  
ISSUANCE WITHIN A WEEK**

**Kuala Lumpur, 29 March 2018** – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, announced the issuance of 3-year RM1.0 billion Islamic Medium Term Notes (IMTN). Proceeds from the issuance will be used to fund the purchase of Islamic home financing from the financial system.

“We are pleased with the successful conclusion of the Company’s second IMTN issuance which was issued within the same week. This brings the total sukuk issued in the first quarter of 2018 to RM1.525 billion out of the existing RM40 billion MTN/IMTN local currency programme. The issuance was concluded via public offering where the order book evidenced continued investor demand in the Company’s sukuk. This contributed to the ability in upsizing the issuance by 2 times from an initial issue size of RM500 million to RM1.0 billion,” said President/Chief Executive Officer, Datuk Chung Chee Leong.

“Despite pricing the issuance hours before the rate hike decision by the Federal Open Market Committee (FOMC) on 21 March 2018, the issuance managed to secure a competitive rate of 4.17%. This represented the same rates as the Company’s previous 3-year sukuk issuance priced a week ago at the same spread of 58 basis points above the corresponding 3-year Malaysian Government Investment Issue (MGII). The conclusion of the deal brings the Company’s year-to-date issuance to RM3.8 billion,” added Datuk Chung.

The papers, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of the Company, ranking pari passu among themselves and with all other existing unsecured obligations of the Company. They will be listed and tradable under the Scripless Securities Trading System.

## **About Cagamas**

Cagamas Berhad (Cagamas), the National Mortgage Corporation of Malaysia, was established in 1986 to promote the broader spread of home ownership and growth of the secondary mortgage market in Malaysia. It issues corporate bonds and sukuk to finance the purchase of housing loans from financial institutions and non-financial institutions. The provision of liquidity to financial institutions at a reasonable cost to the primary lenders of housing loans encourages further expansion of financing for houses at an affordable cost.

The Cagamas model is well regarded by the World Bank as the most successful secondary mortgage liquidity facility. Cagamas is the second largest issuer of debt instruments after the Government of Malaysia and the largest issuer of AAA corporate bonds and sukuk in the market. Since incorporation in 1986, Cagamas has cumulatively issued circa RM305.7 billion worth of corporate bonds and Sukuk.

Cagamas' corporate bonds and sukuk continue to be assigned the highest ratings of AAA and P1 by RAM Rating Services Berhad and AAA/AAA<sub>IS</sub> and MARC-1/MARC-1<sub>IS</sub> by Malaysian Rating Corporation Berhad, denoting its strong credit quality. Cagamas is also well regarded internationally and has been assigned local and foreign currency long-term issuer ratings of A3 by Moody's Investors Service Inc. that are in line with Malaysian sovereign ratings.

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